



## Business Advisory Council (BAC) Summary Meeting Notes for August 7, 2018

### Summary Notes

1500 Capitol Avenue Sacramento, CA 95814

### Members Present:

Association	Primary	Alternate
ACEC	Arvin Chaudhary	
AICC	Adam Holt	
AAAE		
AAa/e	Linden Nishinaga	
AGC	John Cooper	
CBCC		Cheryl Brownlee
COMTO	Walter Allen	
DVBA	Laura Uden	Rebecca Robison
GFACC	Debbie Hunsaker	
KMCA		Nick Hill
LRRT	Paul Guerrero	
LBA	Leonard Ortiz	
NAACP	Betty Williams	
NAMC		Ray Horne
NCA		
SFAACC	Fred Jordan	
SBG		
SAME	Timothy Peel	
USPAACC	Parkash Daryani	
WCOE	Lee Cunningham	
WTS	Shari Tavafrashti	

**Council Chair:** Alice Rodriguez, External Affairs Deputy Director

**Absent Seat(s):** Eddy Lau (AAAE), Diana LaCome (NCA), Esther Shaw (SBG),

**California High-Speed Rail Authority (Authority) Team Present:** Jeannie Jones – Chief Admin. Officer, Pam Mizukami – Chief Deputy Director, Ofelia Alcantara – Director of Strategic Delivery, Jose Camarena – Contract Compliance Administrator, Catrina Blair – Small Business Advocate, Meilani Sabadlab – Small Business Technical Associate, Michael Guzman – Contract Compliance Analyst; Jon Leggett – Contract Compliance Analyst

**Guests:** Maurice Young (TPZP), Bjorn Nilsen (DFJV), Amanda Craft (CRB), Kandis Vallejos (NV5). Jeff Payne (HNTB), Tina Moschetti (Arcadis), Nadia Alarcon (Wong Harris)

### **I. Welcome and Introductions (Alice Rodriguez)**

- Council Chair, Ms. Rodriguez, called the meeting to order at 1:08 PM.
- Ms. Rodriguez welcomed and thanked everyone for attending the meeting and proceeded to provide a brief overview of the meeting agenda.
- Ms. Rodriguez concluded opening remarks with whole room introductions, including new participating High-Speed Rail Staff:
  - Jeannie Jones – Chief Administrative Officer
  - Pam Mizukami – Chief Deputy Director
  - Catrina Blair – Small Business Advocate

### **II. Approval of 2018 February and May Business Advisory Council Meeting Minutes (Alice Rodriguez)**

- Ms. Rodriguez reminded the Council that during the May meeting, an amendment was noted to the February Minutes, specifically the summary for Construction Package 1. The Council voted to postpone the approval of the February Minutes until the August BAC Meeting.
- Member Uden motioned to approve the February Minutes and Member Williams seconded the motion. The February Minutes were approved in favor of the entire council, none opposed.
- The May minutes were motioned by Member Nishinaga and seconded by Member Uden. The May minutes were also approved with all Members in favor and none opposed.

### **III. Prior Meeting Requests (Alice Rodriguez)**

- Ms. Rodriguez provided a quick summary of the following items:
  - The May meeting between Associated Professionals and Contractors (APAC) and Chief Executive Officer (CEO), Brian Kelly.
  - The Letter to CEO, Brian Kelly, on behalf of the Business Advisory Council's (BAC) Professional Service Committee.
  - An update regarding the recently completed Consolidated Annual Report (CAR) for FY 2017-18, due to the Department of General Services (DGS).
    - The CAR strictly reports on Authority State funded contracts.
    - The current CAR proved that the Authority is demonstrating a 35.90% for Small Business/Microbusiness (SB/MB) participation and 3.67% for Disabled Veteran Business Enterprise (DVBE) firms.
- Ms. Rodriguez proceeded to discuss and review the status of each completed request since the May BAC Meeting. A copy of the latest Request Tracker was included in the Member Packet.

#### ***BAC Members Questions and Concerns:***

- Member Jordan asked if MBs meant Disadvantaged Business Enterprise (DBE) firms. Ms. Rodriguez reminded the Council that the CAR strictly includes data based on 100% State funded contracts. She also reminded the Council that the State is race neutral and does not capture information for DBEs. Additionally, Ms. Rodriguez clarified that the Authority counts MBs as SBs, however, we do report/track MBs separately.
- Referring to the CAR itself, Member Cunningham requested to view the number of contracts vs. the dollars spent, and requested the information to be reported side by side. Ms. Jones, Chief Administrative Officer, informed Ms. Cunningham that the format of the report is standard, based on the reporting requirements of DGS. Ms. Blair, Small Business Advocate, also mentioned that the requested information is reflected in the report on a different page.

- While reviewing the CAR, Member Jordan commented that there is a need for improvement for SBs participating as a prime. Ms. Rodriguez, agreed and made notation of his comment.
- Member Tavafrashti requested a list of the Primes' subs. Ms. Rodriguez, mentioned that the Primes' subs are listed on the SB Master List, provided in the BAC Member Packet.
- Looking at the Request Tracker (provided in the Member Packet), Member Uden expressed that (completed) Item K (Dispute Process) should not be closed. Instead, she suggested the initial request be rephrased – replace the word “dispute process” with “appeals process.” Ms. Rodriguez stated that we would put a formal response together and provide it to the BAC. Ms. Rodriguez also mentioned that if anyone has a concern regarding the appeals process, they should speak with Ms. Blair, as she is the initial point of contact.
- Member Cunningham expanded on (completed) Item B of the Request Tracker and suggested that the Authority make more of an effort in their advertisement for suppliers, using the example of placing a banner across the Authority's SB webpage.
- Member Guerrero brought attention to (completed) Item P (Fresno Rescue Mission) and asked that the information initially distributed during the month of May be recirculated to all BAC Members. Ms. Rodriguez agreed to have the information resent.
- Member Tavafrashti inquired about (pending) Item 4 (Third Party Contracts Presentation), asking when the Authority expects to have a representative speak on the issue. Ms. Rodriguez, mentioned that since there is only 1 meeting remaining for 2018 (October Construction Tour), the presentation would most likely occur as soon as February 2019. Ms. Tavafrashti requested information regarding third party contracts be distributed to the Council prior to 2019. Ms. Mizukami, Chief Deputy Director, mentioned that the Team would work to gather and distribute information by month end.
- Member Tavafrashti continued to state that (completed) items N (Reader-friendly Reports) and item R (SB Master List) be re-opened, as she feels they have been unsatisfactorily closed. Ms. Rodriguez and Ms. Mizukami mentioned they would revisit the requests and circle back to the Council by month end.
- Member Nishinaga requested the Authority distribute documentation regarding the Project Master Schedule. Ms. Rodriguez and Ms. Mizukami stated that they'd be happy to provide information regarding the Authority's Milestones and current Baseline.
- Member Uden expanded on (completed) Item S (SB Performance Plans) and requested the SB Performance Plan of the Rail Delivery Partner (RDP). Mr. Camarena agreed to provide this information to the BAC.
- Member Hill requested information about a “State set-aside.” Ms. Blair explained that a State set-aside does not exist and continued to inform the BAC about the State's “SB/DVBE Option.” Ms. Blair mentioned that she'd be happy to circulate information regarding the SB/DVBE option to BAC Members.
- Continuing on the topic of the SB/DVBE Option, Member Lee Cunningham asked how SB/DVBES can be included in the selection process. Ms. Rodriguez mentioned that one of many ways to be included is to encourage firms to register with ConnectHSR, the Authority's vendor registry. She also said that a member of the SB Team would resend the ConnectHSR Factsheet for informational purposes.

#### **IV. Project Updates (Design-Builders)**

##### **Construction Package 1 (Maurice Young)**

- Feeding from the discussion of the Authority's vendor registry, ConnectHSR, Mr. Young

encouraged all BAC Members and their constituents to register with ALL vendor registries including each Design-Builder (CP 1, CP 2-3 and CP 4).

- Mr. Young addressed CP 1's BAC Summary Report, included in the Member Packets.
- Additionally, Mr. Young reported a 27% utilization for SB/DBE/DVBEs on their design work (professional services).

#### **Construction Package 2-3 (Bjorn Nilsen)**

- Mr. Nilsen turned to CP 2-3's BAC Summary Report, included in BAC Member Packet, and emphasized that CP 2-3 is moving a lot of dirt!
- He encouraged BAC Members to view their progress of their project section by visiting Google Earth. Based on the Google Earth images, captured from February – April 2018, the images showcase approximately 7 miles south of Hanford, including Kent and Kansas Avenue. The Google Earth images also display the overpass abutments and cleared pathways of the alignment.
- Mr. Nilsen continued to list upcoming contracts and types of work, all referenced in the BAC Summary Report.

#### ***BAC Members Questions and Concerns:***

- Member Nishinaga requested the percentage for SBs on CP 2-3's design work. Mr. Nilsen agreed to provide such information shortly following the meeting.

#### **Construction Package 4 (Amanda Craft)**

- Ms. Craft reminded the Council that since April 2018, CP 4 has been shut down due to environmental concerns. However, CP 4 received their notice to resume work approximately 2 weeks ago.
- Since work has resumed, CP 4 has continued work on their drill shafts, minor clearing and grubbing, some abatement and demolition. Although, due to unforeseen environmental setbacks, minimal work has been completed since the commencement of their project section.
- Ms. Craft mentioned upcoming outreach events, not listed on the BAC Summary Report:
  - Women in Construction Event (Bakersfield) – Mid August.
  - Authority's Meet the Primes (Gilroy) – September 20.
  - Prompt Payment Workshop, in collaboration with CP 2-3 (Oakland) – October 12.
  - Labor Compliance 101 (Bakersfield) – date to be determined.
  - Associated General Contractors' (AGC) 6-Week Small Business Boot Camp – location and date to be determined.

#### ***BAC Members Questions and Concerns:***

- Member Jordan asked the exact reasoning of the work delay. Jeff Payne (HNTB) summarized the environmental delay to be an issue of permitting and the safety of surrounding animal inhabitants.

### **V. 2019 Annual Meeting Schedule (Catrina Blair)**

- In the interest of time, Ms. Blair consolidated the Meeting Agenda and reported on the following subjects:
  - 2019 Annual BAC Meetings Schedule
    - The 2019 BAC Meeting Schedule was included in the BAC Member Packets, and Ms. Blair ensured that the Meeting Schedule would be

posted to the [BAC webpage](#).

- The 2019 BAC Meeting dates have been identified as follows:
    - Tuesday, February 12
    - Tuesday, May 14
    - Tuesday, August 13
    - Tuesday, November 12
  - All 2019 Committee and Full Council Meetings will be held at the Department of General Services' Building in West Sacramento
    - 707 3<sup>rd</sup> Street West Sacramento, CA 95605
  - Ms. Blair mentioned that the 2019 Meeting Schedule is subject to change, as the Council will vote in early 2019 as to when and where to hold the Annual BAC Construction Tour.
- October Construction Tour
    - Ms. Blair confirmed the logistics of the Annual BAC Construction Tour:
      - Date and location –
        - Thursday October 11, 2018 in Bakersfield, CA
      - Hotel Room Block –
        - Bakersfield Marriot at the Convention Center: 801 Truxtun Avenue Bakersfield, CA 93301
        - All room reservation must be made no later than September 10, 2018 for state rate eligibility, \$90.00 plus tax.
      - Committee and Full Council Meeting Location –
        - Rabobank Arena Theater & Convention Center: 1001 Truxtun Avenue Bakersfield, CA 93301
      - Tentative Schedule –
        - Tour: 9:00 to 12:00 PM
        - Lunch: 12:00 to 1:00 PM
        - Committee Meetings: 1:30 to 3:25 PM
        - Full Council: 3:30 to 4:30 PM
    - Ms. Blair noted that all Construction Tour logistics will be provided via email to all BAC Members following the meeting.

## **VI. Executive Leadership Discussion**

- Ms. Rodriguez provided a brief overview and/or update on the following items:
  - The Authority's 2018 Business Plan
  - The Authority's Baseline
  - The Authority's Program Management Plan (PMP)
  - The meeting held between Brian Kelly (CEO) and APAC which occurred in May
  - The Letter addressed to Mr. Kelly on behalf of the BAC's Professional Service Committee
  - Senate Bill 605 (SB 60) – Small Business Procurement and Contract Act: Small Business

- During the open discussion with Ms. Mizukami and Ms. Jones, the following was addressed:
  - Supportive Services –
    - The Authority looks to our external resource partners for assistance and additional aid.
    - Members of the Executive Team and Small Business Team met with representatives of Caltrans to address current practices and methodologies.
    - Ms. Rodriguez mentioned that Caltrans is looking to utilize local universities to support and guide small businesses including assistance with certification, proposals, etc.
  - BAC's Role to the Authority –
    - On behalf of Mr. Kelly, Ms. Mizukami stated that Mr. Kelly looks forward to working collaboratively with the BAC, including future presentations to the Authority's Board and combined effort in resolving certain BAC concerns.
  - Environmental Justice Studies –
    - Ms. Rodriguez informed the Council that the Authority is in full compliance with environmental studies per the Federal Railroad Administration. She stated if additional clarity was necessary, she'd be happy to discuss such issues offline.
  - Payment Notifications –
    - Ms. Rodriguez encouraged any firm who is not receiving payment in a timely fashion, to come forward and speak with Ms. Blair to help resolve the issue. She also noted recent reports indicate the Authority is in compliance with the Prompt Payment Act.
    - Moving forward, the Authority is considering adding language to future contracts ensuring that during a subs on-boarding process, expectations regarding invoicing procedures and the payment process are fully addressed.

***BAC Members Questions and Concerns:***

- In regards to the Prompt Payment Act/ BAC Notification Request, Member Daryani suggested 2 solutions: Solution 1) Insert a contract clause that requires a Prime to issue payment to a sub within 30 days of an undisputed invoice. Solution 2) Insert a clause stating that if a payment is delayed, the sub will accrue interest – paid for by Prime. This will encourage all Primes to pay their subs in a timely fashion.
- Meeting attendee, Ms. Mochetti with Stantec, offered a solution to help with the prompt payment concern. She suggested that the Authority consider separating invoices into two categories, Labor and Other Direct Costs (ODC). This will encourage faster review of Labor invoices and a quick release of payment by the Authority and Prime to such firms. Therefore, if there are any delays with ODC invoices, which tend to have discrepancies, it will not postpone payment of the Labor invoices.
- Referring to the Authority's organizational (org) chart, Member Nishinaga asked if the BAC could be included on the org chart under External Affairs. Ms. Mizukami, informed the BAC that the org chart is strictly an internal document and including the BAC would exclude other working groups

associated with the Authority.

- Pertaining to SB 605, Member Cunningham asked what requirements suppliers must adhere to. Ms. Rodriguez informed the Council that the Authority is continuing to undergo training to learn more about the Bill, which will take effect January 1, 2019. Additional information will be shared as it becomes available.

## **VII. Committee Meeting Updates**

### **Professional Service Committee (Linden Nishinaga, Committee Chair)**

- The Professional Services Committee addressed the following topics during the Full Council:
  - Requested the separation of the 30/10/3 small business goal for professional services and construction contracts
  - Requested a Project Management Schedule
  - Requested clarity on the roles for the Primary and Alternative BAC Members
  - Requested that the BAC (draft) Minutes be distributed within 30 days of the respective Council Meeting

### **Construction Committee (Debbie Hunsaker, Interim Committee Chair)**

- The Construction Committee addressed the following topics during the Full Council:
  - Announced the resignation of Committee Chair, Diana LaCome and mentioned that Ms. Hunsaker will act as Committee Chair and Member Robison will act as Secretary for the remainder of the calendar year
    - The Committee will hold elections during the first 2019 BAC Meeting for new Committee Officers
  - Discussion regarding Escalation Clauses
  - Creation of an additional AdHoc BAC Suppliers Committee
  - Invited all Design-Build Officers (CP 1, CP 2-3 and CP 4) to attend their future Committee Meeting

## **VIII. Member and Public Comment and Adjournment**

- Member Hunsaker requested to revisit the 2019 BAC Meeting Schedule and consider meeting bi-monthly opposed to quarterly. Ms. Rodriguez, mentioned that this will be a topic of discussion during the October meeting.
- Member Ortiz motioned to adjourn the meeting.
- Member Hill seconded the motion.
- The Full Council Meeting was adjourned by Ms. Rodriguez at 4:11 PM.